

FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Communication Workers Union				
Year ended:	31 December 2016				
List no:	743T				
Head Office:	150 The Broadway Wimbledon London SW19 1RX				
Website address (if available)	www.cwu.org				
Has the address changed during the year to which the return relates?	<table><tr><td>Yes</td><td><input type="checkbox"/></td><td>No</td><td><input checked="" type="checkbox"/></td></tr></table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
General Secretary:	Dave Ward				
Telephone Number:	020 8971 7200				
Contact name for queries regarding	Tony Kearns				
Telephone Number:	020 8971 7237				
E-mail:	sdgs@cwu.org				

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Unions based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2017)

RETURN OF MEMBERS

NUMBER OF MEMBERS AT THE END OF THE YEAR					
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	149,887	3,837	-	327	154,051
FEMALE	35,626	889	-	61	36,576
NON-GENDER	1	-	-	-	1
TOTAL	185,514	4,726	-	-	A 190,628

Number of members included in totals box 'A' above for whom no home or authorised address is held:

2,487

Number of members at end of year contributing to the General Fund

190,628

OFFICERS IN POST

Refer to Supporting Schedule B, page 23.

RETURN OF CHANGE OF OFFICERS

Change of officers during the twelve months covered by this return:

Title of Office	Name of Officer Ceasing to Hold Office	Name of Officer Appointed	Date
NEC Voting Member	B O'Brien	n/a	Jul-16
NEC National President	J Loftus	B Shepherd	May-16
NEC Vice President	B Shepherd	J Loftus	May-16

State whether the union is:

a. A branch of another trade union?

Yes No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

	£	£
Income		
From Members: Contributions and Subscriptions		28,142,801
From Members: Other Income from Members	-	
Total Other Income from Members		-
Total of all Income from Members		28,142,801
Investment Income (page 12)		808,481
Interfund Transfers:		
National Welfare Fund (Fund 3)		15,817
Scholarship Fund (Fund 4)		559
Property Reserve (Fund 5)		163,835
Other Income:		
Income from Federations and Other Bodies (page 4)	-	
Income from Any Other Sources (page 4)	333,698	
Total of Other Income		333,698
	Total Income	29,465,191
Expenditure		
Benefits to Members (page 5)		2,172,264
Administration Expenses (page 10)		23,528,496
Federation and Other Bodies:		
Affiliations & Associated Expenses (schedule A, page 23)		1,072,453
Interfund Transfers:		
Rebates to Branches (Fund 6)		8,124,329
	Total Expenditure	34,897,542
	Deficit for year	(5,432,351)
	Amount of General Fund at beginning of year	(9,249,173)
	Amount of General Fund at end of year	(14,681,524)

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

DESCRIPTION	£	£
Federation and Other Bodies		
n/a		-
Total Federation and Other Bodies		-
Other Income		
Surplus on Sales of Diaries and Promotional Goods		15,975
Political Fund Management Charge		45,000
Elstead Hotel Management Charge		96,000
Corporation Tax Refund		2,134
Miscellaneous		1
Release of Additional PAYE/NIC Liability		69,395
Surplus on Disposal of Fixed Assets		105,193
Total Other Income		333,698
Total of all Other Income		333,698

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

	£		£
		brought forward	1,601,688
Representation - Employment Related Issues: Employment Tribunals	222,624	Education and Training Services: Education	570,576
Representation - Non Employment Related Issues: Legal and Medical Services	55,215	Negotiated Discount Services: n/a	-
Communications: Publications and Publicity	761,004	Salary Costs: n/a	-
Advisory Services: n/a	-	Other Benefits and Grants: n/a	-
Dispute Benefits: n/a	-		
Other Cash Payments: Members Insurance Scheme	56,662		
Death Benefits	506,183		
carried forward	1,601,688	Total	2,172,264

FUND 2		Fund Account	
Name:	Defence Fund	£	£
Income			
	From Members		-
	Investment Income (page 12)		-
	Interfund Transfer - Rebates from Branches (Fund 6)		82,043
	Other Income:		
	Total Other Income as Specified		-
	Total Income		82,043
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (page 10)		-
	Total Expenditure		-
	Surplus for the year		82,043
	Amount of Fund at Beginning of year		1,024,373
	Amount of Fund at the end of year (as Balance Sheet)		1,106,416
	Number of members contributing at end of year		n/a

FUND 3		Fund Account	
Name:	National Welfare Fund	£	£
Income			
	From Members		-
	Investment Income (page 12)		-
	Other Income:		
	Donations	18,220	
	Commissions	4,251	
	Total Other Income as Specified		22,471
	Total Income		22,471
Expenditure			
	Benefits to members		18,700
	Administration Expenses and Other Expenditure (page 10)		-
	Interfund Transfer - General Fund (page 3)		15,817
	Total Expenditure		34,517
	Deficit for the year		(12,046)
	Amount of fund at beginning of year		34,517
	Amount of Fund at the end of year (as Balance Sheet)		22,471
	Number of members contributing at end of year		n/a

FUND 4		Fund Account	
Name:	Scholarship Fund	£	£
Income			
	From Members		-
	Investment Income (page 12)		-
	Other Income:		
	Commissions	43,709	
	Total Other Income as Specified		43,709
	Total Income		43,709
Expenditure			
	Benefits to Members		43,150
	Administration Expenses and Other Expenditure (page 10)		-
	Interfund Transfer - General Fund (page 3)		559
	Total Expenditure		43,709
	Surplus / (Deficit) for the year		-
	Amount of Fund at beginning of year		50,000
	Amount of Fund at the end of year (as Balance Sheet)		50,000
	Number of members contributing at end of year		n/a

FUND 5		Fund Account	
Name:	Property Reserve	£	£
Income			
	From Members		-
	Investment Income (page 12)		-
	Interfund Transfer - Branch Fund (Fund 6)		10,202
	Other Income:		-
	Total Other Income as specified		-
	Total Income		10,202
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (page 10)		-
	Interfund Transfer - General Fund (page 3)		163,835
	Total Expenditure		163,835
	Deficit for the year		(153,633)
	Amount of Fund at beginning of year		24,310,217
	Amount of Fund at the end of year (as Balance Sheet)		24,156,584
	Number of members contributing at end of year		n/a

FUND 6		Fund Account	
Name:	Branch Fund	£	£
Income			
	From Members		-
	Investment Income (page 12)		-
	Interfund Transfer - General Fund (page 3)		8,124,329
	Other Income:		
	Total other Income as Specified		-
	Total Income		8,124,329
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (page 10)		7,957,885
	Interfund Transfer - Defence Fund (Fund 2)		82,043
	Interfund Transfer - Property Reserve (Fund 5)		10,202
	Total Expenditure		8,050,130
	Surplus for the year		74,199
	Amount of Fund at beginning of year		9,465,835
	Amount of Fund at the end of year (as Balance Sheet)		9,540,034
	Number of members contributing at end of year		n/a

POLITICAL FUND ACCOUNT 1		
	£	£
Income		
Members Contributions and Levies		1,655,035
Investment Income (page 12)		-
Other Income:	-	
	Total Other Income as specified	-
	Total Income	1,655,035
Expenditure		
Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992		-
Administration Expenses in Connection with Political Objects:		
Labour Party Affiliation Fees		501,500
Regional Affiliation Fees		14,543
Campaigns		302,640
General Elections		106
Delegations to National Conference		114,866
Delegations to Regional Conference		7,505
Net Expenditure at Branches		191,759
Branch and Regional Expenses		12,495
Parliamentary Panel		51,334
Printing and Publicity		43,153
Postage		95,915
Travel and Meetings Expenses		1,014
Committee Expenses		2,715
Miscellaneous Expenses		185,578
Administration Charge		45,000
Depreciation to Furniture, Equipment, Computers and Motor Vehicles		2,049
Bank Charges		1,454
Non-Political Expenditure		-
	Total Expenditure	1,573,626
	Surplus for the year	81,409
	Amount of political fund at beginning of year	1,184,895
	Amount of political fund at the end of year (as balance sheet)	1,266,304
	Number of members at end of year contributing to the Political Fund	160,185
	Number of members at end of the year not contributing to the Political Fund	30,443
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the Political Fund	20,782

ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

		£
Administrative Expenses		
Remuneration and Expenses of Staff		10,330,366
Salaries and Wages included in above	£ 8,702,194	
Auditors' Fees		91,264
Legal and Professional Fees		839,434
Occupancy Costs		1,375,404
Stationery, Printing, Postage & Telephone		3,406,069
Expenses of Executive Committee (Head Office)		1,284,686
Expenses of Conferences		1,072,162
Other Administrative Expenses:		
Branch Organisation and Recruitment		100,615
Regional and Divisional Representation		972,673
Elections and Ballots		265,331
International Activities		61,626
Branch Representation		4,265,079
Other Outgoings		
Interest Payable:		
Bank Loans		-
Mortgages		-
Other Loans (Bank Charges & Interest)		61,914
Depreciation		497,533
Taxation (VAT)		(137,607)
Outgoings on Land and Buildings		-
Other Outgoings:		
Collection Costs and Charges		588,343
Branch Honoraria		191,489
Financial Expense - Pension Scheme		630,000
FRS 102 Pension Adjustment		5,590,000
Total		31,486,381
Charged to:		
General Fund (page 3)		23,528,496
Branch Fund (Fund 6)		7,957,885
Total		31,486,381

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

Office held	Gross Salary	Employers N.I. contributions	Benefits			Total
			Pension Contributions £	Other Benefits		
				Description	Value £	
National Executive Council						
D Ward - General Secretary	89,933	11,782	26,640		0	128,355
<u>Voting Members</u>						
M Baulch	9,101	642	0		0	9,743
M Kavanagh	1,431	36	0			1,467
C Maden	5,881	420	0		0	6,301
J Malone	1,468	40	0		0	1,508
I Ward	1,312	0	0		0	1,312
<p><u>Additional Notes to the above analysis:</u></p> <ul style="list-style-type: none"> * Any amounts which may be paid from the Branch Fund to any National Executive Council members for services as branch or regional officials' are not included in the above. * The Union operates three superannuation schemes providing benefits on final pensionable pay (note 5). 						

ANALYSIS OF INVESTMENT INCOME

	Political Fund £		Other Funds £
Rent from Land and Buildings	-		130,850
Dividends (gross) from:			
Equities	-		-
Interest (gross) from:			
Government Securities (Gilts)	-		-
Mortgages	-		23,462
Local Authority Bonds	-		-
Bank and Building Societies	-		69,540
Other Investment Income:			
Revaluation of Investments	-		574,772
Disposal of Quoted Investments	-		9,857
	-		808,481
		Total Investment Income	808,481
		Credited to:	
		General Fund (page 3)	808,481
		Political Fund (Account 1)	-
		Total Investment Income	808,481

BALANCE SHEET as at 31 December 2016

Previous Year		£	£
23,928,996	Fixed Assets (page 14)		23,371,190
	Investments:		
3,241,755	Quoted (page 15)	3,565,817	
2,915,175	Unquoted (page 15)	3,039,632	
6,156,930	Total Investments		6,605,449
	Other Assets:		
-	Loans to Other Trade Unions	-	
3,313,306	Sundry Debtors	3,331,394	
12,027,856	Cash at Bank and Cash In Hand	12,115,416	
15,341,162	Total of Other Assets		15,446,810
45,427,088	Total Assets		45,423,449
(9,249,173)	General Fund (Fund 1)		(14,681,524)
1,024,373	Defence Fund (Fund 2)		1,106,416
34,517	National Welfare Fund (Fund 3)		22,471
50,000	Scholarship Fund (Fund 4)		50,000
24,310,217	Property Reserve Fund (Fund 5)		24,156,584
9,465,835	Branch Fund (Fund 6)		9,540,034
1,184,895	Political Fund (Account 1)		1,266,304
26,820,664	Total Funds		21,460,285
	Liabilities:		
-	Amount held on behalf of central trade union political fund		-
-	Loans: From Other Trade Unions		-
31,817	Loans: Other (bank loans to branches)		11,131
-	Bank Overdraft		-
-	Tax Payable		-
1,950,387	Sundry Creditors		2,127,617
1,000,961	Accrued Expenses		1,466,486
1,003,259	Provisions		937,930
	Other Liabilities:		
7,430,000	Provision for Liabilities & Charges - Pensions		-
7,190,000	Pension Scheme Deficit		19,420,000
18,606,424	Total Liabilities		23,963,164
26,820,664	Net Assets		21,460,285

FIXED ASSETS ACCOUNT

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for Union Business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	24,156,550	-	1,541,450	12,203	175,000	25,885,203
Additions	11,165	-	85,195	-	-	96,360
Disposals	-	-	-	-	(175,000)	(175,000)
Revaluation / Transfers	-	-	89,119	-	-	89,119
At end of year	24,167,715	-	1,715,764	12,203	-	25,895,682
Accumulated Depreciation						
At start of year	1,036,698	-	889,806	12,203	17,500	1,956,207
Charges for year	238,300	-	258,366	-	2,917	499,583
Disposals	-	-	-	-	(20,417)	(20,417)
Revaluation/Transfers	-	-	89,119	-	-	89,119
At end of year	1,274,998	-	1,237,291	12,203	-	2,524,492
Net book value at end of year	22,892,717	-	478,473	-	-	23,371,190
Net book value at end of previous year	23,119,852	-	651,644	-	157,500	23,928,996

ANALYSIS OF INVESTMENTS

		All Funds Except Political Fund £	Political Fund £
Quoted			
Equities (e.g. Shares):			
n/a		-	-
Government Securities (Gilts):			
n/a		-	-
Other Quoted Securities:			
Aberdeen Unit Trust		3,565,817	-
Total Quoted At Market Value (as Balance Sheet)		3,565,817	-
Historical Cost of Quoted Investment		1,418,202	-
Unquoted			
Equities:			
Unity Trust Bank Plc		2,120,734	-
Government Securities (Gilts):			
n/a		-	-
Mortgages:			
Union Mortgages (cash position)		418,898	-
Bank and Building Societies:			
n/a		-	-
Other Unquoted Investments:			
Debenture & Shares in Elstead Hotel (Bournemouth) Ltd		480,000	-
People's Press Printing Society Ltd		20,000	-
Total Unquoted at Fair Value (as Balance Sheet)		3,039,632	-
Historical Cost of Unquoted Investments		1,800,732	-

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES	X	NO	
If YES name the relevant companies:					
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)				
Elstead Hotel (Bournemouth) Ltd	1674002				
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES		NO	X
If NO, state the names of the persons in whom the shares controlled by the union are registered.					
COMPANY NAME	NAMES OF SHAREHOLDERS				
Elstead Hotel (Bournemouth) Ltd	Communication Workers Union				

SUMMARY SHEET

	All Funds Except Political Fund £	Political Fund £	Total Funds £
INCOME			
From Members	28,142,801	1,655,035	29,797,836
From Investments	808,481	-	808,481
Other Income (including increases by revaluation of assets)	399,878	-	399,878
Total Income	29,351,160	1,655,035	31,006,195
EXPENDITURE			
Total Expenditure	34,792,948	1,573,626	36,366,574
Funds at beginning of year (including reserves)	25,635,769	1,184,895	26,820,664
Funds at end of year (including reserves)	20,193,981	1,266,304	21,460,285
ASSETS			
		Fixed Assets	23,371,190
		Investment Assets	6,605,449
		Other Assets	15,446,810
		Total Assets	45,423,449
LIABILITIES		Total Liabilities	23,963,164
NET ASSETS (Total Assets less Total Liabilities)			21,460,285

NOTES TO THE ACCOUNTS

1 Tangible Fixed Assets

Land and Buildings owned at 31 December 2016 comprised of:

Description of Freehold Property	Cost or valuation details	Cost or valuation	Net book value
		31 Dec 2016	31 Dec 2016
		£	£
150 The Broadway Wimbledon, London	Revaluation in 2014	18,150,000	17,714,400
Alvescot Lodge, Alvescot, Oxfordshire	Revaluation in 2010	1,980,502	1,874,527
Elstead Hotel Bournemouth, Dorset	Revaluation in 2010	662,213	131,290
75 Garstang Road, Preston, Lancashire	Revaluation in 2014	200,000	188,000
17 properties owned by Branches	Revaluation in 2014	3,175,000	2,984,500
		24,167,715	22,892,717

The deemed cost of fixed assets includes the original cost of assets purchased by the National Communications Union and the Union of Communication Workers or, in the case of certain land and buildings, subsequent revaluation by these former Unions. Depreciation includes the amount previously written-off cost or valuation in the accounts of the National Communications Union and the Union of Communication Workers.

The Elstead hotel is subject to a leasehold interest granted to the Elstead Hotel (Bournemouth) Limited, a company wholly owned by Trustees on behalf of the Union, for a period of 20 years from 29 September 1994 (note 3).

150 The Broadway, Wimbledon was purchased during 1997. The UCW Pensions 2001 Scheme has a first legal charge of the property at 150 The Broadway, Wimbledon, to the value of £5,800,000 as security over the deficit in that particular pension fund (note 4).

2 Investments and Long Term Loans

A full provision of £201,606 (2015 : £201,606) has been made against the cost of shares in the headquarters building of Union Network International, as recovery of the amount invested is not envisaged.

The total original cost of quoted investments was £1,418,203 (2015: £1,604,993). Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.

The total unquoted shares held by the Union as at 31 December 2016 is broken down by 1,060,367 shares in Unity Trust Bank at £2 per share and 20,000 shares in Peoples Press Printing Society Ltd at a cost of £1 per share.

3 Elstead Hotel (Bournemouth) Limited

The Union beneficially owns the entire share capital of Elstead Hotel (Bournemouth) Ltd, a company which operates as a hotel conference centre and provides educational facilities for the Union. The company is a subsidiary undertaking of the Union but consolidated accounts have not been prepared as the inclusion of the Elstead Hotel (Bournemouth) Ltd would not have a material impact on the accounts of the Union.

The draft accounts of the company as at 31 December 2016 show a loss for the 12 month period ended on that date of £120,983 and shareholders' funds at that date of a negative equity of £175. Included within Sundry Debtors (page 13) is an amount of £118,613 (2015: £45,500) due from Elstead Hotel (Bournemouth) Ltd, relating to rent and management charge. Also included within Sundry Creditors (page 13) is an amount of £16,272 (2015 - £0) due to Elstead Hotel (Bournemouth) Ltd relating to accommodation charges.

NOTES TO THE ACCOUNTS (continued)

3 Elstead Hotel (Bournemouth) Limited (continued)

The original cost of the Union's interest in this company is £2,025,000 advanced by the Union of Communication Workers prior to the date of merger in 1995. This was represented by a debenture and issue of shares. During the year ended 31 December 2011 the Elstead Hotel cancelled 1,495,002 ordinary shares of nominal value £1 each as part of a share capital restructure. The Union's interest is now represented by a debenture of £480,000 secured by a floating charge over the assets of the company and £50,000 ordinary shares of £1 each fully paid.

In line with FRS 102, the accounting policy of the Union is to value unquoted investments at fair value where this can be obtained without undue cost. In accordance with this policy the Union has revalued the shares of the company to an amount equal to the shareholders' funds as shown in the accounts of the company as at 31 December 2016. In December 2003, an impairment review was carried out and the Union reduced the carrying value of the shares by the shortfall in the valuation compared to the carrying value of the fixed assets held by the company. During 2013, a decision was made to reclassify this impairment against the value of the property rather than the value of the shares. As such, the impairment against the shares has been reversed and instead the impairment is now included within accumulated depreciation of Land and Buildings.

The balance sheet value of the Union's interest in Elstead Hotel (Bournemouth) Ltd is as follows:

	Shares £	Debenture £
As at 31 December 2015	78,826	480,000
Revaluation in year (based on draft accounts)	<u>(78,826)</u>	<u>-</u>
As at 31 December 2016	<u>-</u>	<u>480,000</u>

4 Provision for Liabilities and Charges - Pensions

The Union's accounts need to show the value of the pension schemes that it sponsors using the accounting treatment prescribed by Section 28 of FRS 102. The assumptions used in calculating the Section 28 pension scheme valuations, as disclosed in note 5, are agreed between the employer and the scheme's actuaries each year and are generally less prudent than the triennial pension scheme valuation where the assumptions used are agreed by the schemes' trustees and the actuaries.

Using a Section 28 valuation the Union's pension schemes at 31 December 2016 showed a total deficit of £19.42m.

	Date of Triennial Valuation	Triennial Valuation £m	Section 28 Valuation £m
UCW Pensions 2001	31/12/2014	(13.24)	(16.86)
NCU SSS	31/12/2014	2.66	1.62
CWU 2000	31/12/2014	<u>(2.87)</u>	<u>(4.18)</u>
		<u>(13.45)</u>	<u>(19.42)</u>

The most recent triennial valuations for all schemes are dated 31 December 2014. At this date, the total liability amounted to £13.45m. In prior years, the Union has recognised a true and fair override to show the triennial valuation liability rather than the Section 28 valuation as required under FRS 102, as the triennial valuation liability was higher. At 31 December 2016, the Section 28 valuation is significantly higher than the triennial valuation and, as a result, there is no longer the need to include a true and fair override to recognise a higher triennial valuation.

By releasing the true and fair override provision in the accounts, the Union believes that they showed a prudent view of the pension schemes' deficits and that its members would be more able to understand the pension schemes funding obligations that the Union faces.

NOTES TO THE ACCOUNTS (continued)

5 Staff Superannuation Schemes

At 31 December 2016 the Union operated three superannuation schemes providing benefits for Union employees based on final pensionable pay "defined benefit (DB) schemes". The CWU 2000 Pension Scheme is open to new employees of the Union and the UCW Pensions 2001 and NCU SSS are closed. All schemes are funded.

Contributions to the schemes are charged to the Statement of Comprehensive Income to spread the cost of pensions over employees' working lives with the Union. The contributions are paid in accordance with recommendations by independent qualified actuaries at rates of between 29.1% and 41.9% of pensionable salaries. The actuaries use the projected unit method of valuation. Under this method the current service cost for closed schemes will increase as the members of the schemes approach retirement.

Amounts payable to the schemes by the Union in accordance with actuarial advice were:

	2016	2015
Staff Superannuation Schemes	£	£
Normal Contributions	2,079,950	2,085,200
Special Contributions	970,050	1,714,800
	3,050,000	3,800,000

The above amounts represent the amounts which would have been charged to the Statement of Comprehensive Income in 2016 and 2015, had Section 28 of FRS 102 not been adopted in respect of accounting for retired benefits. The amounts actually charged to the Statement of Comprehensive Income and Other Comprehensive Income are shown on page 22.

The Union is considering the deficits in the various schemes in consultation with respective scheme actuaries and taking advice on the amount of future Union contributions.

The assets of the schemes are held in separate trustee administered funds. A summary of the assets and liabilities in accordance with Section 28, together with the assumptions used to determine the results, is set out below.

Qualified independent actuaries have updated figures from the last formal valuations of the schemes to 31 December 2016. The deficit has been incorporated within the Union's balance sheet in accordance with Section 28.

The major assumptions used by the actuaries were:

	31 December 2016	31 December 2015
Rate of Increase in Salaries	2.5 - 3.6%	2.2 - 3.3%
Rate of Future Pension Increases	2.5 - 3.6%	2.2 - 3.4%
Discount Rate	2.6 - 3.0%	3.8 - 4.1%
RPI Inflation Assumption	3.5 - 3.6%	3.2 - 3.5%

Mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live for a further 27 years if they are male and for a further 29 years if they are female. For a member currently aged 40 who retires at age 60 the assumptions are that they will live on average for a further 28 years after retirement if they are male and a further 30 years after retirement if they are female.

NOTES TO THE ACCOUNTS (continued)

5 Staff Superannuation Schemes (continued)

The Assets in the Schemes were:	31 December 2016 £m	31 December 2015 £m
Hedge Funds	50.1	51.0
Diversified Growth Funds	18.7	13.0
Government Bonds	39.1	25.2
Corporate Bonds	2.1	15.1
Cash	0.6	0.4
	<u>110.6</u>	<u>104.7</u>
Irrecoverable Surplus	(3.6)	(3.7)
Total Assets	<u>107.0</u>	<u>101.0</u>

Analysis of Amounts in Balance Sheet:	31 December 2016 £m	31 December 2015 £m
<u>Changes in Present Value of Plan Liabilities</u>		
Opening Value of DB Obligation	108.3	110.2
Current Service Cost	1.6	2.2
Interest Cost on DB Obligation	4.1	4.2
Remeasurement - Experience Adjustment gains	(6.7)	-
Remeasurement - Changes in Assumptions losses/(gains)	24.1	(4.7)
Contributions by Participants	0.3	0.3
Benefits Paid	(5.3)	(4.0)
Closing DB Obligation	<u>126.4</u>	<u>108.2</u>

<u>Changes in Fair Value of Plan Assets</u>		
Opening Fair Value of Plan Assets	104.8	106.9
Interest Income on Plan Assets	4.0	4.1
Pension Scheme Expenses	(0.5)	(0.5)
Remeasurement - Return on Plan Assets excluding Interest		
Income gains/(losses)	4.3	(5.8)
Employer Contributions	3.0	3.8
Employee Contributions	0.3	0.3
Benefits Paid	(5.3)	(4.0)
	<u>110.6</u>	<u>104.8</u>
Irrecoverable Surplus on Plan Assets	(3.6)	(3.7)
Closing Fair Value of Plan Assets	<u>107.0</u>	<u>101.1</u>
Present Value of DB Obligation	(126.4)	(108.3)
Fair value of Plan Assets	107.0	101.1
Net Liability	<u>(19.4)</u>	<u>(7.2)</u>
As per Balance Sheet page 13	<u>(19.4)</u>	<u>(7.2)</u>

Analysis of the Amount Charged to Operating Deficit:	31 December 2016 £m	31 December 2015 £m
Current Service Cost	1.6	2.2
Total Operating Charge	<u>1.6</u>	<u>2.2</u>

NOTES TO THE ACCOUNTS (continued)

5 Staff Superannuation Schemes (continued)

Analysis of the Amount (charged)/credited to Other Financial Income:	31 December 2016	31 December 2015
	£m	£m
Interest Income on Plan Assets	4.0	4.1
Interest Cost on DB Obligation	(4.2)	(4.2)
Pension Scheme Expenses	(0.5)	(0.5)
Net Return	<u>(0.6)</u>	<u>(0.6)</u>

Analysis of amount recognised in Other Comprehensive Income (OIC):	31 December 2016	31 December 2015
	£m	£m
Remeasurement - Return on Plan Assets Excluding Interest Income, gains/(losses)	4.3	(5.8)
Remeasurement - Experience Adjustment gains	6.7	-
Remeasurement - Changes in Assumptions, (losses)/gains	<u>(24.1)</u>	<u>4.7</u>
Actual losses	<u>(13.0)</u>	<u>(1.2)</u>
Change in Assets not Recoverable in the Future	0.0	3.8
Total	<u>(13.0)</u>	<u>2.7</u>

6 Contingent Liabilities

The Union has guaranteed bank loans for certain Branches. At 31 December 2016 the amount guaranteed was £11,131 (2015: £31,817).

7 Key Management Personnel

Key management compensation of £253,477 (2015: £242,702) was paid in the year. Key management personnel is defined as the roles of General Secretary and Senior Deputy General Secretary.

8 Related Party Transactions

At 31 December 2016, the Union was a 50% equity partner in GMB/CWU Legal LLP, which is the sole beneficial corporate partner of Trade Union Legal LLP, trading as Unionline. At 31 December 2016, the Union has an unsecured loan of £273,250 (2015: £248,250) at a commercial rate of interest and recognised £42,212 (2015: £24,356) in relation to interest charges on the un-secured loan. During the year the Union recharged for staff and administration costs incurred relating to the activities of the LLP.

SUPPORTING SCHEDULES

A FEDERATION AND OTHER BODIES

Breakdown of Affiliations and Associated Expenses:

	31 December	31 December
	2016	2015
	£	£
Trade Union Congress Affiliation	527,472	537,479
Scottish Trades Union Congress	21,623	22,291
Irish Congress of Trade Unions	15,325	15,762
Union Network International Affiliation	376,792	316,862
Miscellaneous Affiliations	24,943	25,031
Delegations	85,527	72,400
Sundry Donations	20,771	30,968
Total as General Fund Expenditure (page 3)	<u>1,072,453</u>	<u>1,020,793</u>

B LIST OF OFFICIALS' AS AT 31 DECEMBER 2016

National Executive Council Members

General Secretary	D Ward
President	B Shepherd (position held from May 2016)
Vice President	J Loftus (position held from May 2016)

Voting Members

M Ali
 P Browne
 S Banbury
 M Baulch
 A Bouch
 T Cooper
 N Darbyshire
 T Fussey
 S Jones
 M Kavanagh
 J Loftus
 C Maden
 J Malone
 C McGlynn
 B O'Brien (position held until July 2016)
 K Rose
 B Shepherd
 J Upton
 I Ward

SUPPORTING SCHEDULES (continued)

C CASH FLOW STATEMENT	31 December 2016 £	31 December 2015 £	
Cash Flows Arising from Operating Activities			
Total Surplus on Ordinary Activities for the Year	229,621	1,305,293	
Surplus on Revaluation of Investments	(574,772)	(851,770)	
Surplus on Disposal of Quoted Investments	(9,857)	-	
Surplus on Disposal of Fixed Assets	(105,193)	436,007	
Depreciation Charges	497,533	744,800	
Notional Pension Charge	180,050	(1,714,800)	
Pension Deficit Reduction Payments	(970,050)	(338,095)	
Change in Debtors	(18,190)	(1,152,157)	
Change in Creditors	516,147	464,568	
Change in Political Fund Assets	(81,409)	-	
Net Cash used in Operating Activities	(336,120)	(1,106,154)	
Cash Flows from Investing Activities			
Payments to Acquire Fixed Assets	(96,360)	(403,944)	
Proceeds from Sale of Assets	259,776	-	
Proceeds from Sale of Investments	891,393	-	
Investments Purchases	(901,999)	-	
Long Term Branch Loans Advanced	-	-	
Repayment of Long Term Loans	146,716	75,809	
Net Cash from/(used in) Investing Activities	299,526	(328,135)	
Cash Flows from Financing Activities			
Repayment of Bank Loans by Branches	(20,686)	(72,530)	
Net Cash used in Financing Activities	(20,686)	(72,530)	
Net Decrease in Cash and Cash Equivalents	(57,280)	(1,506,819)	
Cash and Cash Equivalent at the beginning of the year	10,835,436	12,342,255	
Cash and Cash Equivalents at the end of the year	10,778,156	10,835,436	
Analysis of Changes in Cash and Cash Equivalents:			
	At 1 Jan 2016 £	Cash Flows £	At 31 Dec 2016 £
Cash at Bank	4,517,477	159,576	4,677,053
Cash in Hand	176,195	(175,394)	801
Cash at Branches	6,141,764	(41,462)	6,100,302
Net Cash Position	10,835,436	(57,280)	10,778,156
Bank Loans to Branches - Properties	(21,333)	10,202	(11,131)
Bank Loans to Branches - Other	(10,484)	10,484	-
	(31,817)	20,686	(11,131)
Net Liquid Funds	10,803,619	(36,594)	10,767,025

SUPPORTING SCHEDULES (continued)

D STATEMENT OF CHANGES IN EQUITY

	General Fund (ex. Pension Fund)	Pension Fund (including Provision)	Defence Fund	Scholarship Fund	National Welfare Fund	Property Reserve	Branch Fund	Political Fund	Total Fund Balances
	£	£	£	£	£	£	£	£	£
At 1 January 2015	5,039,140	(14,620,000)	940,915	50,000	52,848	24,261,216	9,111,789	1,649,463	26,485,371
Total Surplus/(Deficit) on Ordinary Activities for the Year	2,012,802	(744,800)	83,458	8,037	7,317	-	403,047	(464,568)	1,305,293
Other Comprehensive Income:									
Actuarial losses on post-employment benefit obligations	-	(1,160,000)	-	-	-	-	-	-	(1,160,000)
Changes in assets not recoverable in the future	-	3,840,000	-	-	-	-	-	-	3,840,000
Movement on true and fair override	-	(3,650,000)	-	-	-	-	-	-	(3,650,000)
Total Comprehensive Expense	(1,681,115)	(970,000)	-	(8,037)	(25,648)	49,001	(49,001)	-	(970,000)
At 31 December 2015	5,370,827	(14,620,000)	1,024,373	50,000	34,517	24,310,217	9,465,835	1,184,895	26,820,664
Total Surplus/(Deficit) on Ordinary Activities for the Year	157,488	(180,050)	82,043	559	3,771	-	84,401	81,409	229,621
Other Comprehensive Income:									
Actuarial losses on post-employment benefit obligations	-	(13,030,000)	-	-	-	-	-	-	(13,030,000)
Changes in assets not recoverable in the future	-	10,000	-	-	-	-	-	-	10,000
Movement on true and fair override	-	7,430,000	-	-	-	-	-	-	7,430,000
Total Comprehensive Expense for the Year	(789,839)	970,050	-	(559)	(15,817)	(153,633)	(10,202)	-	(5,590,000)
Transfers	4,738,476	(19,420,000)	1,106,416	50,000	22,471	24,156,584	9,540,034	1,266,304	21,460,285
At 31 December 2016 (page 13)									

ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

These accounts have been prepared under the historical cost convention, and are in accordance with Financial Reporting Standard 102 ("FRS 102") modified by the revaluation of certain freehold property and investments.

b) Income and Expenditure Recognition

The Financial Statements are prepared on an accruals basis. Contributions include those amounts receivable from members in respect of the year under review.

Members' legal expenses are charged in these accounts net of reimbursements obtained in respect of certain cases, on an invoiced basis. Conditional fee agreements are recognised in the accounts where the amount to be received is known with certainty.

Income and expenditure is shown in these accounts including Value Added Tax (VAT) where applicable.

c) Designated Funds

The balance of the Property Reserve Fund is equated to the total costs or valuation of Land and Buildings less bank loans secured thereon by transfer to or from the General Fund and Branch Fund.

Subscribing members, who have not opted out, contribute 87p of the full subscription fee to the Political Fund. Expenditure in connection with political actives must be charged against this fund.

d) Defined Benefit Pension Schemes

The Union's pension schemes are defined benefit scheme. The assets of the schemes are held separately from those of the Union in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on the actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each date of the statement of financial position.

The surplus or deficit arising from the Union's defined benefit Pension Scheme is disclosed in the Statement of Financial Position. Movements on the Pension Scheme, asset or liability, are reflected through the Statement of Comprehensive Income to the extent that they relate to employer's current service costs (which is reflected as a component of Staff Costs, page 10) or movements arising from expected returns on Pension Scheme assets net of interest on Pension Scheme liabilities which is disclosed as a component of Other Comprehensive Expense. Movements arising from changes in actuarial assumptions, including differences between the actual returns on scheme assets and the expected returns and experience gains / (losses) arising on the scheme's liabilities are reflected through the Statement of Total Recognised Gains and Losses.

e) Union Mortgages (Page 16)

On the basis that it would be misleading to users of the financial statements the Union has made the decision to reflect the actual cash position of the mortgages in the Statement of Financial Position.

f) Corporation Taxation

As an unincorporated association, the Communication Workers Union is liable to Corporation Tax on its investment income and realised gains on investments sold. As a trade union, relief is available in respect of provident benefits expenditure, as statutorily defined. No provision is made for any potential corporation tax liabilities arising as a result of revaluations of the Unions properties or investments.

g) Deferred Tax

Deferred tax is recognised in respect of all timing differences which are differences between the taxable profits and total comprehensive income that arises from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

ACCOUNTING POLICIES

h) Operating Leases

Expenditure on leases other than finance leases ("operating leases") are charged to the Statement of Comprehensive Income in the period in which they are incurred.

i) Critical Accounting Assumptions and Judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the union. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

In preparing these Financial Statements, the Union has made the following judgements:

- Tangible Fixed Assets (page 14)

Fixed assets are recognised at deemed cost. Deemed costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner required. Depreciation is calculated to write down the deemed cost of fixed assets to estimated realisable values on a straight line basis over the expected useful life of the assets concerned.

The principal annual rates used are:

Buildings	2%
Furniture and Equipment	25%
Motor Vehicles	25%
Computers	33½%

No depreciation is provided on freehold land. Where no information is available as to the allocation of the original cost or valuation of property between land and buildings, best estimates of that allocation are used.

Under FRS 102 property held for investment purposes should be classified separately as investment properties and held at fair value at each year end. The Union sublets a portion of its Head Office and this should therefore be classified as investment property. However, no adjustment has been made to the financial statements on the basis that calculating the fair value of this portion of the property at each year end would result in undue cost and, under FRS 102, it is therefore allowed to continue to show this as a tangible fixed asset.



- Investments (page 15)

Quoted investments are disclosed at mid market values at the Statement of Financial Position date. Unquoted investments are disclosed at fair value.

- Provisions for Liabilities

Provisions for liabilities included at the year end have been calculated using the best available knowledge at the time of preparing the financial statements, adjusted for information subsequently received. An element of estimation is therefore required when calculating the provisions.

SIGNATURES TO THE ANNUAL RETURN
including the accounts and balance sheet contained in the return.

General Secretary	Senior Deputy General Secretary
Signature: <u></u>	Signature: <u></u>
Name: <u>D Ward</u>	Name: <u>A Kearns</u>
Date: <u>31 May 2017</u>	Date: <u>31 May 2017</u>

CHECK LIST

IS THE RETURN OF OFFICERS ATTACHED?	YES
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED?	YES
HAS THE RETURN BEEN SIGNED?	YES
HAS THE AUDITORS REPORT BEEN COMPLETED?	YES
IS A RULE BOOK ENCLOSED?	YES
A MEMBERS STATEMENT IS:	ENCLOSED
HAS THE SUMMARY SHEET BEEN COMPLETED?	YES
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED?	YES

AUDITORS REPORT

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

- 1 In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES

- 2 Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- a) whether the trade union had kept proper accounting records in accordance with section 28 of the 1992 Act;
 - b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - c) where the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES

- 3 Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)

YES

- 4 Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 85)

AUDITORS REPORT (continued)

Independent Auditor's Report

(as contained within the 2016 CWU Accounts)

We have audited the accounts of the Communication Workers Union for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members of the Union as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the members of the Union those matters we are required to state to them in an independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the members of the Union as a body, for our work, for this report, or for the opinion we have formed.

Respective Responsibilities of the Union's Executive Council and Auditor

As explained more fully in the Statement of Responsibilities of the Union, the Executive Council is responsible for the preparation of the accounts, which have been prepared in accordance with applicable law and accounting standards.

We have been appointed as auditors and our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditor.

Scope of the Audit of the Accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Senior Deputy General Secretary to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2016, and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

AUDITORS REPORT (continued)

Independent Auditor's Report (continued)

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) requires us to report to you by, if in our opinion:

- The Union has not kept proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- A satisfactory system of control over transactions has not been maintained;
- The accounts are not in agreement with accounting records;
- We have not received all the information and expenditure we require for our audit.

Signature of Auditor:

Moore Stephens LLP

Name:

Moore Stephens LLP

Profession:

Registered Auditor Chartered Accountants

Address:

150 Aldersgate Street
London
EC1A 4AB

Date:

31 May 2017

Contact Name and Telephone Number:

*Anneth Jones
020 7334 9191*

N.B. When notes to the accounts are referred to in the auditors report a copy of those notes must accompany this return.

MEMBERSHIP AUDIT CERTIFICATE
made in accordance with section 24ZD of the
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union great than 10,000?

YES

MEMBERSHIP AUDIT CERTIFICATE
SECTION ONE

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

1. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, the the entries in its register were accurate and up-to-date throughout the reporting period?

YES

2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES

Signature of assurer:



Name:

Electoral Reform Services

Address:

Election Centre
33 Clarendon Road
London, N8 0NW
N8 0NW

Date:

24/5/2017

Contact Name and Telephone Number:

Ian Robinson
0208 365 8909